

ISSUE 1 OF 2
Next issue: Utah's Businesses Today



Perspectives on Utah's Economy

Trendlines

March/April 2012

SPECIAL ISSUE: UTAH'S WORKFORCE TODAY



**Profiling
Utah's Labor
Force—**
It's a Good Thing
pg. 16



Setting the Pace



*Kristen Cox, Executive Director,
Department of Workforce Services*

DEAR READERS:

When snowshoeing a few weeks ago, my youngest son once again gave meaning to the statement, “out of the mouth of babes.” During our hike his older brother turned back to complain about how slow everyone else was moving. My six year old shot back, “Well, you’re the one who’s leading!” His comment that the pace of the group was dictated by the one leading was not only cute, but insightful. Before looking to others to find answers or place blame, an effective leader will carefully consider the impact they personally have in determining the pace and cadence of an organization.

For me, determining pace and direction are two critical factors to an organization's success. Too many new projects or too wide a scope can overwhelm the organization and cause bad multi-tasking while a lack of new efforts or direction may result in obsolescence. Setting the exact pace or individual direction for everyone involved may be impossible, but having at least an awareness of these issues is a must.

As an outdoor enthusiast, snowshoeing and hiking are some of my favorite recreational activities. Having the right gear makes all of the difference between a successful hike and a miserable one. Likewise, having the right gear or tools within an organization is imperative when it comes to assessing performance, direction, and pace. At a minimum, the following tools are required to be successful:

- Clear targets
- Dashboards to track cost, quality, and throughput
- Structures to track division or unit, as well as organization-wide projects
- Real-time data on how individuals, teams, and divisions/units are performing

Whether providing valuable information about the economy of Utah; discussing how women and men match up in educational attainment; or weighing the value of creating family friendly workplaces to improve productivity and employee success; our goal is for *Trendlines* to be a valuable tool for you to use in setting the direction and pace of your organization. The Utah Department of Workforce Services is committed to the mission of connecting job seekers and employers and we hope this edition of *Trendlines* will help you lead the way.

SINCERELY,

Trendlines

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The Workforce Research and Analysis Division generates accurate, timely, and understandable data and analyses to provide knowledge of ever-changing workforce environments that support sound planning and decision-making.

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Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request to individuals with disabilities by calling (801) 526-9240. Individuals with speech and/or hearing impairments may call the Relay Utah by dialing 711. Spanish Relay Utah: 1-888-346-3162.

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Introduction

In this March/April 2012 edition the reader will find *Trendlines* taking a pretty thorough look at Utah's economy. Not necessarily a forecast, although there are a few glimpses into the future by our Chief Economist Mark Knold. Known for his strict adherence to the data with an eye on the past, Mark has an "in the trenches" feel for the economic churn in Utah.

There's some interesting insight into newly hired employees in Utah over the third quarter of 2011 that indicates that networking really helps when one is seeking a job and previous employer referrals do make a difference.

Every month the department releases its monthly analysis of Utah's economy in the form of Utah's Employment Summary, that report is where the monthly unemployment rate is revealed. As most people know, that's the number media members wait to report on, and politicians pay close attention to. If you've ever wanted to know how economists arrive at that number, read Mark Knold's analysis on page 10.

The department's mission states, the Utah Department of Workforce Services strengthens Utah's economy by supporting the economic stability and quality of the state's workforce. When we say workforce we mean just about every segment of the popula-

tion. Rick Little, the Director of our Workforce Research and Analysis Division dives in with both feet to identify who those customers are. You'll see that indeed this department touches a lot of Utahns.

Every issue of *Trendlines* shines its spotlight on a targeted industry and Insider News. This time we're taking a look at the Information industry, and what do we mean when we say the "Information Age? Our Insider News focuses on Welfare, Work, and the Economy, tracing the origin of social programs back to the Social Security Act of 1935, and how it has evolved into today's social safety net.

As you've read so far *Trendlines* is about a lot of different topics and subjects. I believe you'll find it interesting and worth the time invested in reading it. The entire staff at DWS are committed to our mission to connect Utah job seekers to Utah Employers, and here you get a good idea on how we go about that.

Whether discussing how women and men match up against each other in educational attainment, or the value of creating family friendly workplaces to improve productivity and employee success and loyalty, *Trendlines* will take you there. We invite you pass this edition along when you have finished reading it and share it with your colleagues.

Here's why
Trendlines
is worth
reading...



Metropolitan

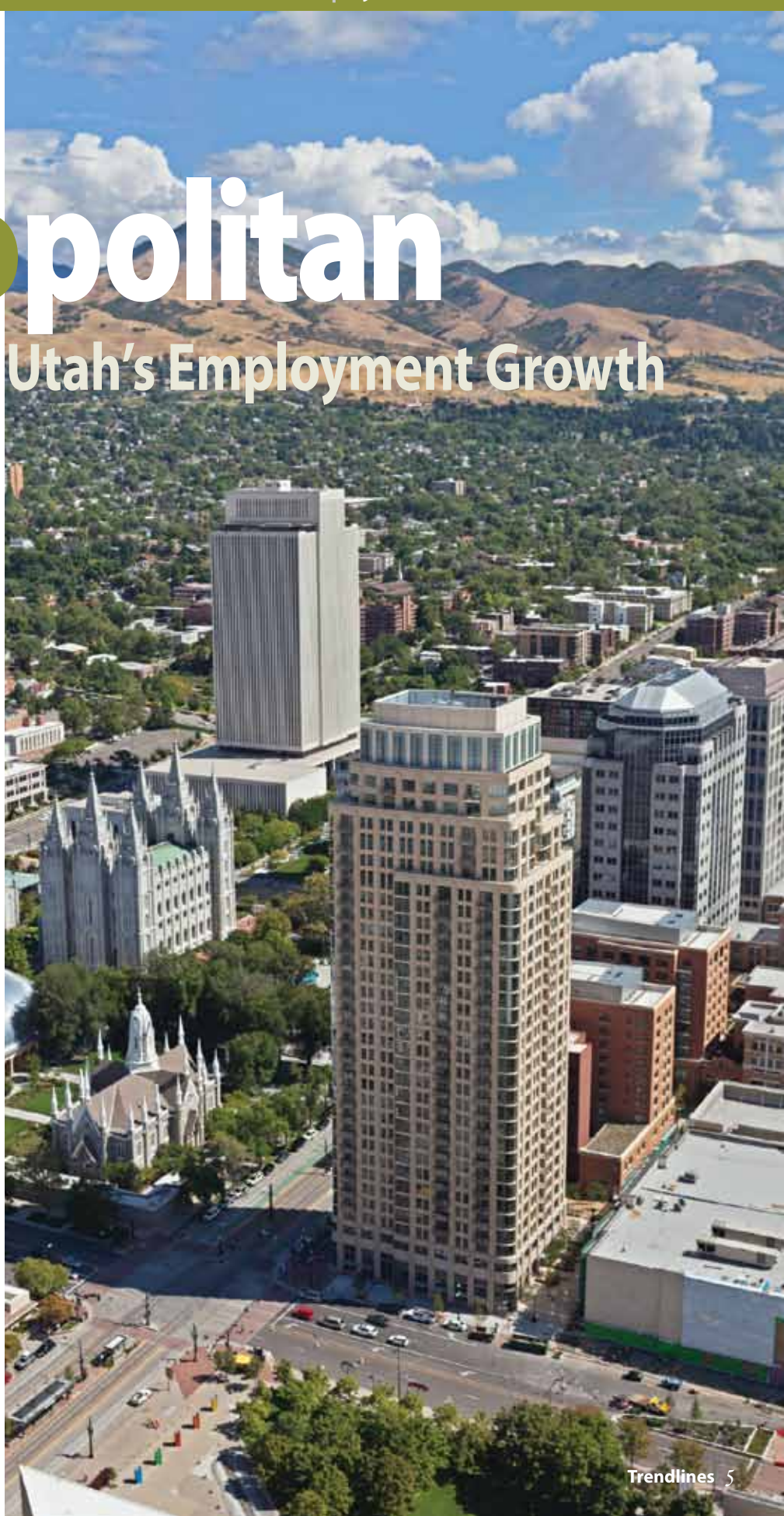
Areas Lead Utah's Employment Growth

It is not surprising
that most of the
growth is along the
Wasatch Front

Utah's employment growth for 2011 registered 2.4 percent. A nice rebound considering the prior two years combined for a steep employment contraction.

Most of the growth is concentrated along the Wasatch Front. This isn't necessarily surprising. If Utah's economy is going to grow, it has to come from the populous metropolitan corridor. Yet many of the state's rural economies have yet to "perk up." An energy boom in the Uintah Basin is primarily helping Duchesne and Uintah counties, and a construction project to install windmill energy devices helped Beaver County, but most of the remaining rural counties are not yet experiencing a trickle down effect from the metropolitan area's expansion.

Barring any unforeseen economic shock, Utah should continue to experience notable employment growth throughout 2012, to the degree that will support both metropolitan and rural economic expansion. ①



Women Outperform Men in Educational Attainment



Recently, one interesting trend has been a large increase in the educational attainment of women.

One very important aspect of U.S. economic success, prosperity, and growth over the decades has been increasing educational attainment of the populace over time. An educated workforce is associated with higher productivity, increasing real incomes, and a better standard of living.

Levels of education have risen steadily in America over the past 70 years. In the 1940 Census, 24.5 percent of people age 25 and over had at least a high school diploma. By 2010 this had increased to 85.0 percent, with 27.9 percent having attained a bachelor's degree or higher.

In recent years, one trend of particular note has been the relatively large increase in educational attainment of women. This trend is most readily illustrated by examining the educational attainment among the younger generation, those 25 to 34 years of age.

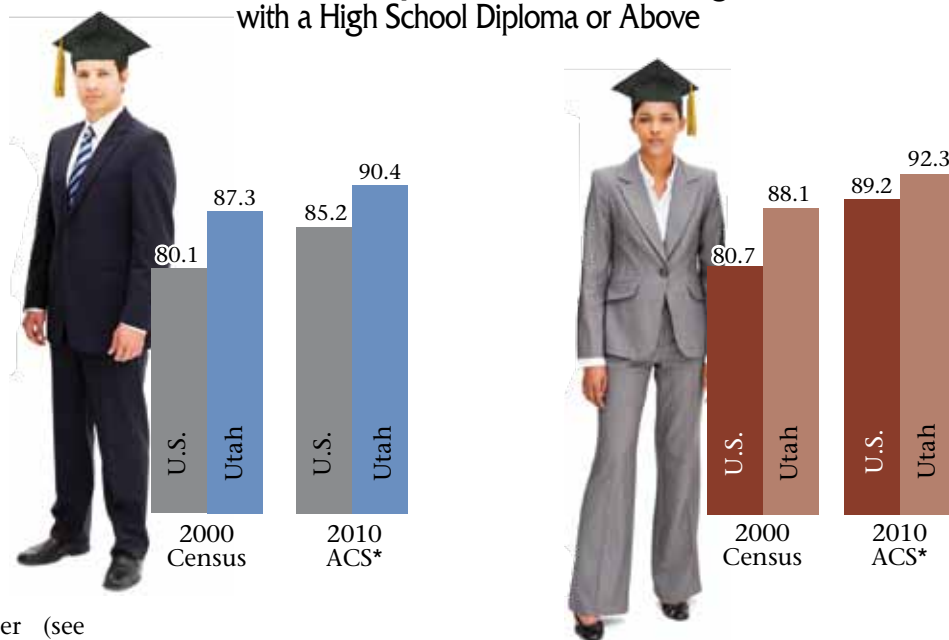
The 2000 Census showed nationally that 80.1 percent of males, ages 25 to

34 had at least a high school diploma, increasing to 85.2 percent as measured by the American Community Survey (ACS) in 2010. Females, 25 to 34 years of age, registered 80.7 percent with at least a high school diploma in 2000, increasing to 89.2 percent in 2010.

When you look at college-level education at the national level, women significantly surpassed the level of attainment by men. In 2000, 26.1 percent of males 25 to 34 years of age had a college diploma or above, increasing by just one percentage point to 27.1 percent by 2010. For women of the same age, measured attainment of a college degree or higher was 22.8 percent (3.3 percentage points below the men) in 2000, increasing by 12.2 percentage points to 35.0 percent in 2010.

Looking at this same data for those in the 25 to 34 age group in Utah, we see that men exceeded the educational attainment levels of men nationally for those with at least a high school diploma and also for those with a

Percent of the Population 25-34 Years of Age with a High School Diploma or Above

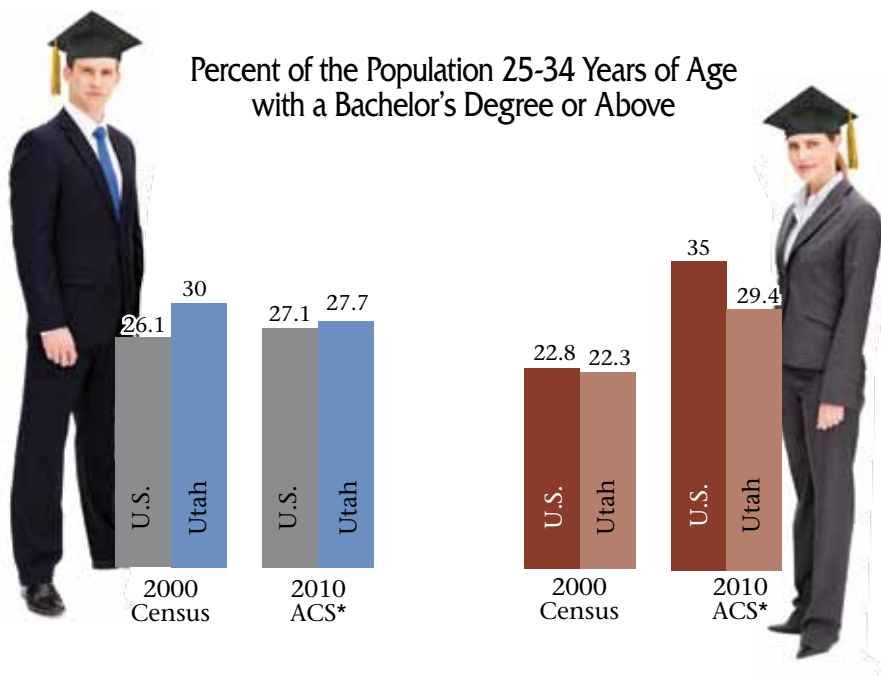


bachelor's degree or higher (see figures 1 and 2). However, the edge Utah men had in 2000 over their national counterparts has narrowed in both cases. Of concern for Utah, in 2000, 30.0 percent of men had a bachelor's degree or higher, but by 2010 this had dropped to 27.7 percent.

For Utah women in the 25 to 34 age group, 92.3 percent—3.1 percentage points above the national level for women—have a high school diploma or above in 2010. While more Utah women in 2010 have a college degree or higher (29.4 percent) than Utah men (27.7 percent), Utah women are 5.6 percentage points below the national level.

Traditionally, Utah values educational attainment and outperforms the levels achieved nationally. However, if current trends continue, Utah's educational attainment levels may fall below national averages, particularly the percentage of the population with a bachelor's degree and above. ⓘ

Percent of the Population 25-34 Years of Age with a Bachelor's Degree or Above



*ACS—American Community Survey One-Year Estimates

Source: U.S. Census Bureau.

Third Quarter 2010 New Hire Survey

Average hourly wage for newly hired employees was \$13.39



The Department of Workforce Services (DWS) surveyed a random sampling of Utah employers who hired a new employee during the third quarter of 2010. Employers were asked a number of questions about their new hire; questions designed to provide insight as to how the employee was recruited, compensated, and if they were retained, among other information.

Intuitively, one might speculate that employer hiring stalled during the third quarter of 2010 since the state

and national economic environments were still experiencing ill effects from the most recent recession. The truth is that much of the employer demand for labor persisted during the referenced quarter. However, it was offset by job separations and therefore not reflected as net job growth.

There was an estimated 121,243 new hires in Utah during the third quarter of 2010 (the Census Bureau's Local Employment Dynamics program has a slightly more expansive definition of a 'new hire' and estimates that

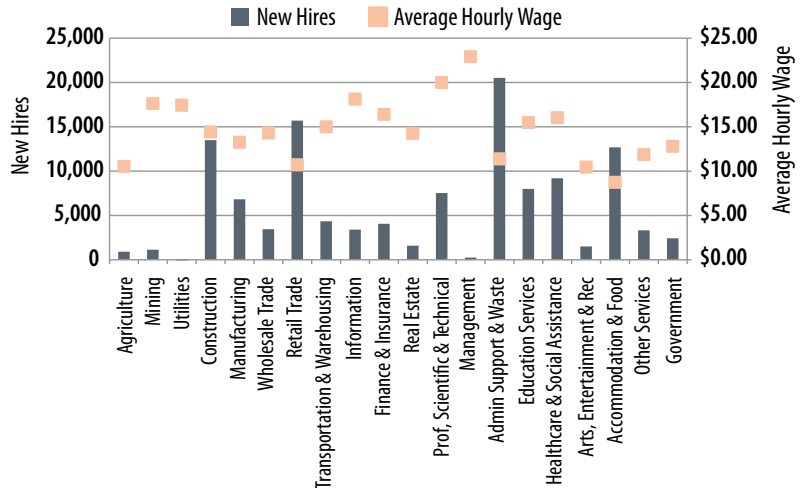
there were a total of 177,252 new hires during that time).

Survey Highlights

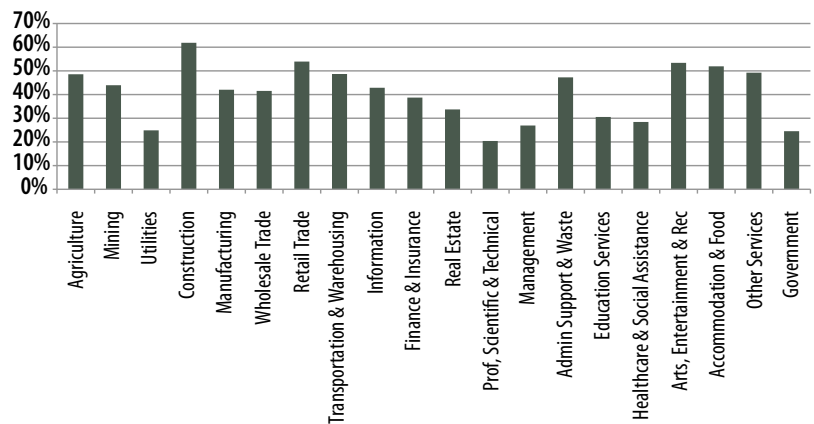
- The average hourly wage for newly hired employees was \$13.39. Average hourly wages for the accommodation and food services industry was \$8.75 an hour and management of companies and enterprises industry was \$22.90 an hour.
- Fifty-three percent of new hires were appointed to full-time positions.

Third Quarter 2010 New Hires and Average Hourly Wages

- Eighteen percent of the new hires were employed on a temporary or seasonal basis.
- Approximately 51 percent of the new hires were found in construction, retail trade, administrative support, waste management services, accommodation and food services. These industries generally experience a higher-than-average turnover, meaning that the demand for new hires was likely fueled by the need for replacement labor.
- The administrative support and waste management services industry housed almost 17 percent of all new hires during the referenced period. Included in this industry are temporary help and staffing services companies, which are usually the first to experience an increase in hiring activity following an economic downturn.
- Only 55 percent of the newly hired employees remained employed by the hiring organization one year later. This indicates that at least for the positions that were filled by the newly hired employee, employment longevity is not standard. As seen in figure 2, separation statistics vary considerably by industry.
- About 65 percent of all newly hired employees discovered the job opening through networking or word of mouth. Likewise, over 42 percent of employers stated that a referral from a friend, family member, or previous employee was one of the most influential factors of the hiring decision. These statistics suggest that informal channels of job search and job matching remain prevalent in the labor market. ⓘ



Percent of Third Quarter New Hires Separated One Year Later



*For additional information on the DWS
New Hires Survey contact Nate Talley
at natetalley@utah.gov.*

How Do We

Determine The Unemployment Rate?

*Contrary to what you might think,
unemployment benefits are not the
primary factor in the unemployment
rate calculation.*



Unemployment rates are among the most frequently referenced indicators of labor market health. Given the ubiquitous nature of these rates, it is important to understand the methods through which they are derived.

Unemployment rates are calculated and owned by the federal government—more specifically, the U.S. Bureau of Labor Statistics (BLS). It is this federal agency that determines not only the national unemployment rate, but rates for all states, counties, metropolitan areas, and cities (with a population of 25,000 or more). Advantages of the federally defined approach to the production of unemployment rates are numerous. First, a centralized methodology allows for the standardization of unemployment rate estimates, which means that rates can be compared across different states, counties, and other areas. Second, since the release of updated unemployment rates usually elicit a strong market response, a federally imposed release schedule helps to add some predictability to when the newest unemployment rates will be available. Finally, a centrally driven estimate production process helps to keep unemployment rates insulated from local political influence.

Contrary to what many people believe, unemployment insurance claims (unemployment benefits) are not the primary factor in the unemployment rate calculation. Instead, a monthly national survey is the driving force. Unemployment claims are just a small portion of the

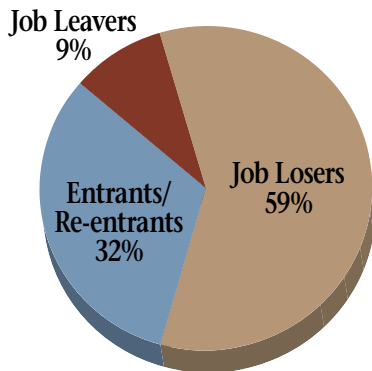
state-level unemployment rate calculation, and in some states, they are not used at all.

To be counted as unemployed, one must be without a job and seeking work. If one is without a job, yet is not looking for a job, then the individual is not considered unemployed under the official definition of unemployment.

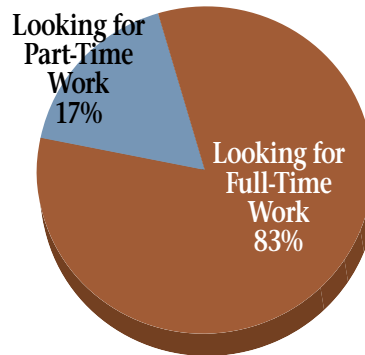
There are three ways through which people become unemployed. The first is to lose a job (job losses could take the form of a layoff, firing, expiration of temporary job, etc.). The second is to voluntarily leave a job. The third is to newly enter the labor force (for example, students who graduate and begin seeking work) or to return to the labor force after a period of absence. Unemployment benefits are only available to those in the first category, and even then, not all are eligible. Therefore, unemployment insurance activity only includes a fraction of those who are unemployed. Nationally, about one-third of the unemployed are on the rolls of unemployment insurance. In Utah, an even smaller percentage of the unemployed are captured by unemployment insurance statistics.

Since those leaving jobs and those entering or re-entering the labor force are generally not eligible to collect unemployment insurance, a more comprehensive method is needed to fully estimate the volume of the unemployed. This is done through a monthly survey called the Current Population Survey (commonly referred to as the Household Survey). This is administered

Utah Unemployed by Reason
December 2010-November 2011



Utah Unemployed
December 2010-November 2011



Source: U.S. Census Bureau, Current Population Statistics. • <http://www.bls.gov/gps/notescps.htm>

monthly to 60,000 households nationwide by the U.S. Census Bureau, at the behest and financing of the Bureau of Labor Statistics. Selected households rotate in and out of the survey—in for four months, out for eight, back in for four, then finished. In addition to questions regarding demographic information such as age, race, and gender, individuals are asked whether they were employed, how many hours they worked, what industry they worked in, along with many other questions related to their labor market activities. For interviewees who were not working, the survey asks whether they are looking for a job, the methods used to find a job, and so forth. It provides detailed survey information of monthly household labor market activity.

The survey results produce the national unemployment rate. But at the state and local level, the monthly survey sample size is not considered statistically strong enough to produce the unemployment rate on its own (700 households monthly in Utah). Therefore, each state's survey results are combined with historical data to construct an econometric model, out of which comes the state's official unemployment rate estimation. The inputs into this model are not only historical data and the current survey results, but also the recent amount of unemployment insurance claims (although this input's influence with the model varies by state—it does not have a strong influence in Utah), current estimates of Utah employment growth or contraction, Utah population estimates, and other economic variables. The most influential factor in the model is the current survey results, yet the other variables help to stabilize monthly fluctuations that are inherent and potentially sizable due to the survey's small sample size.

The federal government designs the model. The survey provides the data for the model. The model produces the

unemployment rate. Utah provides the unemployment insurance claims data, and the federal government supplies the remaining inputs and makes the calculation.

Each month, Utah announces and profiles both Utah's unemployment rate and employment growth estimation, but those numbers are generated by the federal government. The federal government asks states to issue a monthly announcement to put a local analytical perspective on the data; however, the states do not generate nor "own" the data.

The process that generates the unemployment rate is not perfect—it simply produces an estimate. The key to it all comes down to the definition, which centers upon activity. Is an individual without work and looking for a job? It is theoretically possible for all unemployed people to stop looking for a job. The unemployment rate would then fall to zero. The unemployment rate statistics suggest that some of the recent unemployment rate decline can be attributed to unemployed people no longer looking for work.

The unemployment rate can also decline as people find jobs. They leave the ranks of the unemployed and become employed. With 36,000 jobs created in Utah over the past year, job gains are also part of the recent unemployment rate decline.

Additionally, variability in the survey can occasionally be significant enough that unemployment movements can be partially attributed to this factor. In the case of the current unemployment rate decline, survey variability also appears to be an influencing factor. Job gains, labor force exits, and survey variability are currently all contributing factors in the state's recent noticeable unemployment rate decline. ⓘ



Welfare, Work, and the Economy

A background on welfare for mothers with dependent children and how numbers of new entrants coincide with economic times.

The social program known as welfare traces its origin back to the Great Depression, when it was created as part of the Social Security Act of 1935. The program was originally known as Aid to Dependent Children and later as Aid to Families with Dependent Children (AFDC), the title the program would retain through the mid-1990s. The program was designed to provide support to mothers with dependent children whose fathers had left the family, become incapacitated, or died. The legislation was motivated by a 1934 study conducted by the Committee on Economic Security that found 8 million children living in families receiving unemployment relief, a number equal to approximately 22 percent of all children under the age of 16 in the U.S. The study warned that these children were exposed to a significant risk of delinquency or serious neglect and prescribed financial assistance to protect children from this risk.

During the first 25 years of AFDC, the program operated as intended, caseloads were relatively low, and the general

public either accepted the program as satisfying a legitimate social need or was at least unconcerned with it. However, the broad social changes of the 1960s would drastically alter the public's opinion toward welfare, providing an impetus toward reform. Perhaps the most influential social change was the steady increase in the percent of working mothers. Only 28 percent of women with children worked outside of the home in 1960, but by the 1990s this figure rose to nearly 70 percent. Consequently, public opinion shifted away from the view that mothers need to be home taking care of children toward the view that mothers can and should work outside of the home. Two other social trends served to foster an overall negative view of welfare among the public. From 1960 to the mid-1980s, the divorce rate more than doubled and the percentage of births to unmarried women quadrupled. Some argued that these trends were the direct results of welfare on the basis that there were financial incentives toward divorce, never marrying, and out-of-wedlock childbearing. Regardless of the validity of

such arguments, the ever-growing share of the public that had developed an unfavorable opinion of welfare served to embolden policymakers to legislate major reforms to the program.

Welfare reform was achieved with the passing of the Personal Responsibility and Work Opportunities Reconciliation Act of 1996, which dismantled AFDC and put in its place Temporary Assistance for Needy Families (TANF). The new program was designed around the central tenet that welfare is only a temporary source of financial assistance granted under the expectation that recipients are actively seeking employment or pursuing activities to improve their chances of future employment.

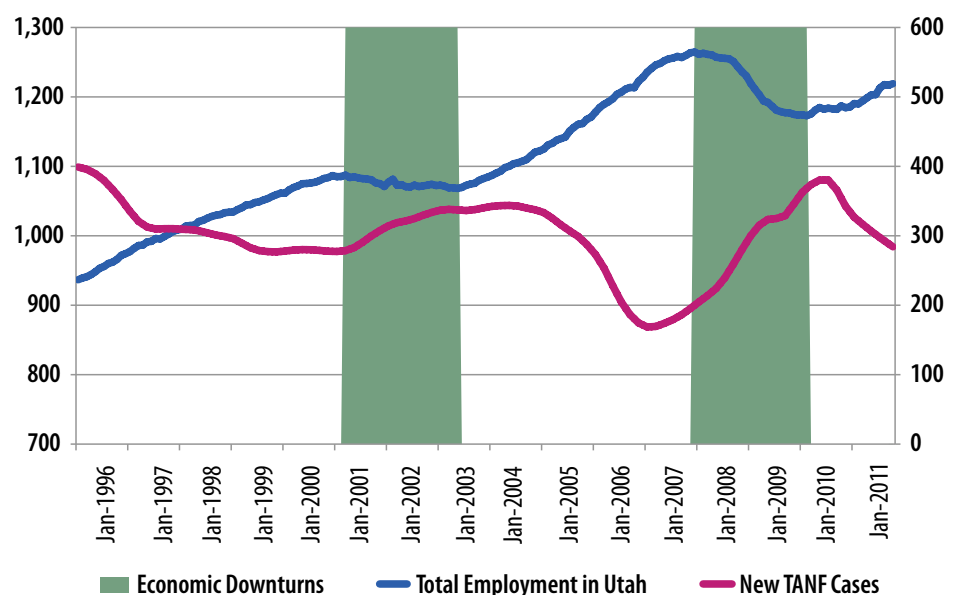
In order to promote compliance with the requirements to pursue work-related activities, states are given the power to impose sanctions in the forms of benefit reductions and, under some circumstances, the lifetime elimination of all benefits. To eliminate the perceived incentive toward having additional children out of wedlock, states are free to impose caps that fix the size of benefits received by each family. Possibly the most significant reform was the imposition of time limits on the receipt of welfare. TANF limits individuals to a maximum of five years of eligibility for welfare, but states are permitted to impose even shorter time limits if they choose. In Utah, the time limit is 36 months. Because individuals can be denied benefits for not participating in work-related activities or for having exhausted the time limit, one of the most

important facts about welfare under TANF is that, strictly speaking, it is no longer an entitlement program.

Turning to economic matters, the health of Utah's labor market and the number of new entrants into TANF exhibit an inverse relationship that is clearly discernable in the accompanying graph. The economic downturns are defined as periods where the labor market was contracting in Utah. As expected, when the demand for labor decreased, a greater number of individuals were unable to secure employment and were forced to resort to TANF for assistance. Conversely, during periods of strong labor market growth, the greater the number of employment opportunities, the smaller the number of individuals who needed to rely on TANF to make ends meet. The impact of the Great Recession upon Utah's economy has most often been expressed in terms of lost jobs. From December 2007 to February 2010, the State of Utah experienced the largest percentage drop in employment during the post-World War II era. Data on the number of new TANF cases provides a supplemental measure of the severity of the recession. The seasonally-adjusted number of new TANF cases reached a peak of roughly 380 in May 2010, shortly after the labor market had reached the bottom of the downturn. This represents the largest number of new TANF cases in any month since the inception of the program in October 1996. Not only, then, does the TANF data provide another illustration of the depths to which the labor market fell during the Great Recession, but it also reveals that TANF serves an important function as a social safety net during periods of economic duress. 📌

New TANF Cases and Employment in Utah
January 1996 to October 2011

The number of new TANF cases is measured on the right vertical axis while employment is measured on the left vertical axis in thousands. Different scales were chosen to more clearly reveal the relationship between the two data series.



Sources: Utah Department of Workforce Services and the Bureau of Labor Statistics.



Customers Served

by the Utah Department of Workforce Services

The Utah Department of Workforce Services (DWS) strengthens Utah's economy by supporting the economic stability and quality of the state's workforce. In preparing its customers to prosper now and as the workforce of the future, DWS administers public services associated with helping employers to find qualified workers and assists job seekers to find employment.

Four primary customer groups are served by DWS: employers, job seekers, unemployment insurance claimants, and temporary public assistance recipients. Each of these is defined and quantified below. In addition, DWS partners with education, economic development, and local government agencies to inform and support shared projects that strengthen Utah's workforce.

Employers—There are approximately 85,000 worksites in Utah with more than 1.2 million jobs. DWS associates with virtually all employers to fund the unemployment insurance trust fund that pays benefits to eligible workers in the event of layoffs. Fortunately, claims for unemployment insurance are down and more than 6,600 of Utah's worksites have jobs listed with DWS. Since many of these employers are the largest in the state, there were more than 240,000 openings available throughout the year at the DWS website, www.jobs.utah.gov.

Job Seekers—During state fiscal year 2011, DWS served 322,000 job seekers ages 18 to 64. At one time or another during the year, about 75 percent of those served were not employed. This count includes post-secondary students looking for part-time jobs after class and employed persons seeking a second job for some extra cash. Others have a job but are


hoping to enhance their careers. A few job seekers are from other states as well as foreign countries. More than half of all job seekers find employment within three months of their last service.

Unemployment Insurance Claimants—

Despite fewer claims last year, there were still more than 113,000 claimants. As a condition of continued eligibility, claimants must seek employment and report progress weekly. More than 80 percent of claimants also receive services as job seekers. Additional services may be available to unemployment insurance claimants such as re-employment workshops, counseling, and incentives to employers if they hire claimants.

Temporary Public Assistance

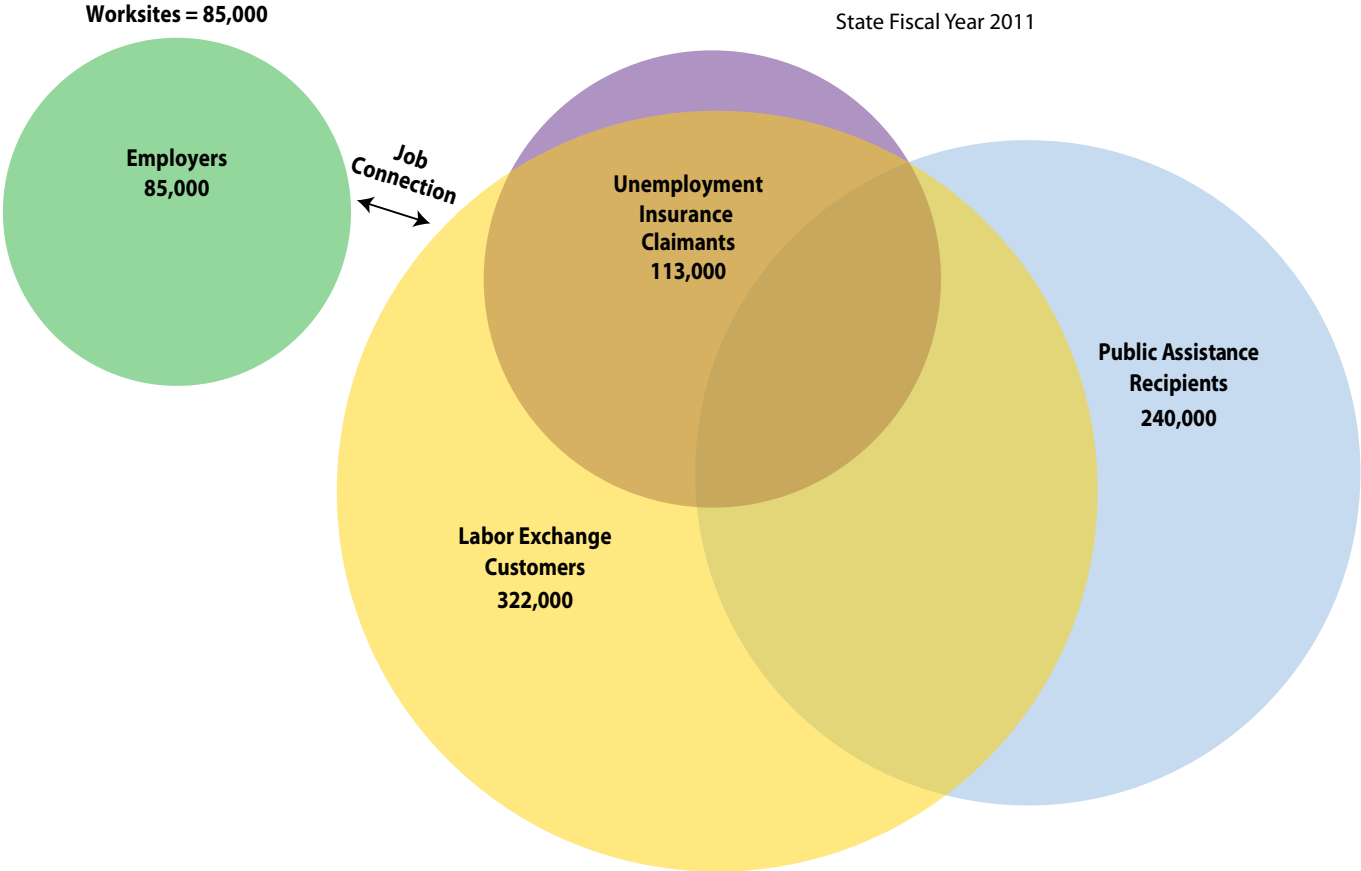
Recipients—The key to avoiding poverty and attaining self-sufficiency is employment. Still, there are many thousands of families that need supportive services while they seek employment or higher paying job opportunities. Many employers do not provide health insurance benefits. Households facing these challenges may qualify for temporary public assistance such as Food Stamps or Medicaid. A few may be eligible for cash assistance. More than 500,000 Utahns (including children) received benefits last year. Among these recipients, about 240,000 were adults ages 18 to 64. About 42 percent of these adults also received employment services as job seekers. DWS is actively working to increase this ratio.

DWS served more than 466,000 adults last year in Utah. These services included rendered job search, unemployment insurance, and/or public assistance services which equates to about one in every four adults in the state during state fiscal year 2011. 

DWS also partners with education, economic development, and local government agencies to inform and support shared projects that strengthen Utah's workforce.

Distribution of Customers Served
Department of Workforce Services

Total Distinct Customers = 466,000 customers ages 18 to 64
State Fiscal Year 2011

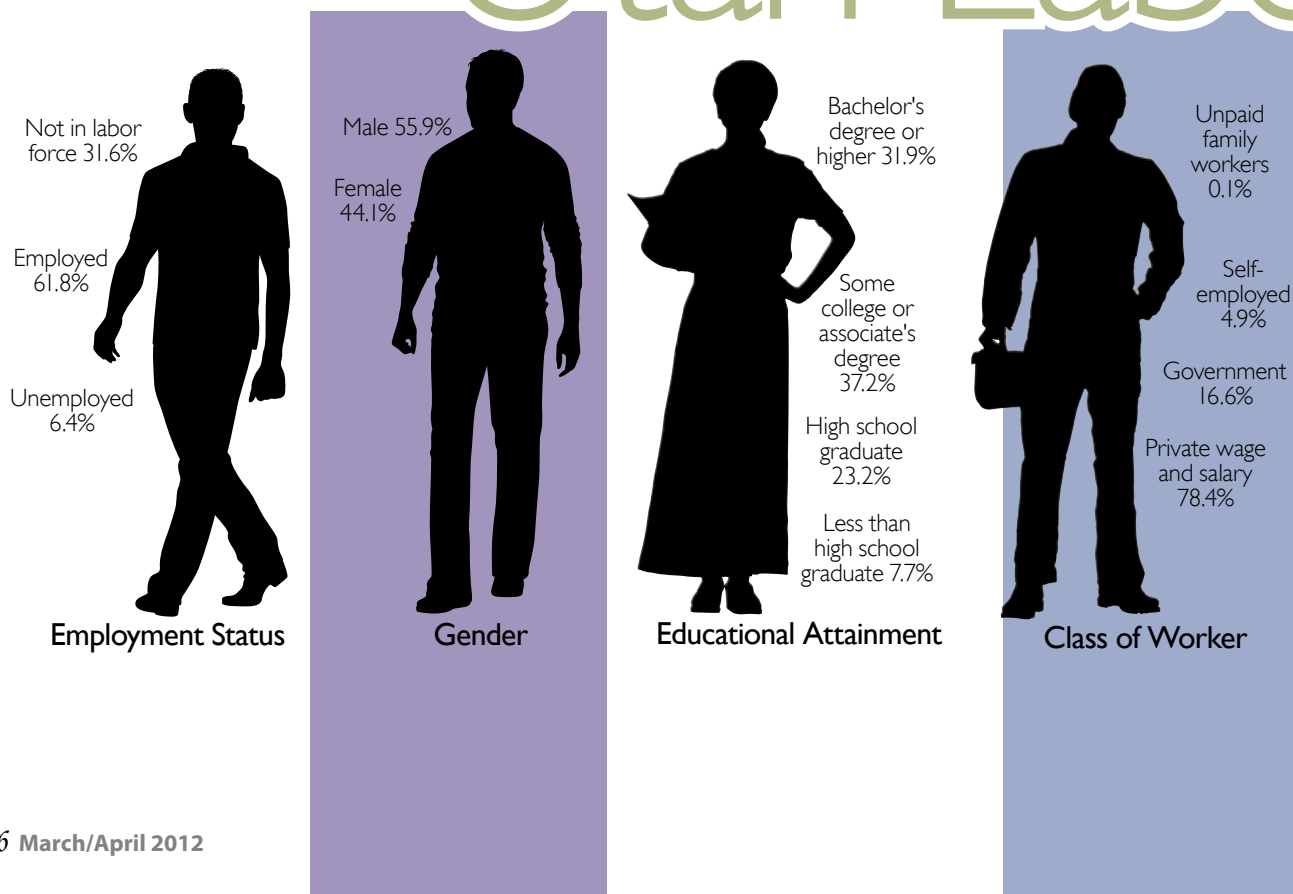


Profiling Utah's Labor Force— It's a Good Thing. . .

When misused, the word 'profiling' can certainly have some negative connotations. But accessing sufficient data to provide a demographic profile is a good thing. Understanding the nature of our labor force provides productive information for planners at the individual, business, and public-sector level.

Fortunately, the American Community Survey provides a vast storehouse of information about Utah's labor force. This particular profile includes data from the recently-released 2010 one-year estimates.

Utah Labor



The average Utah labor force participant is most likely employed—although 32 percent of the population is not in the labor force at all. The average labor force participant is also just slightly more likely to be male than female. He'll usually boast some college attendance or an associate's degree. He's most likely to work for a private sector employer, be about 37 years old, and be white (not Hispanic). He probably lives in a household with two or more workers.

He spends his 21 minute commute driving in a truck, car, or van all by himself. He most likely does not

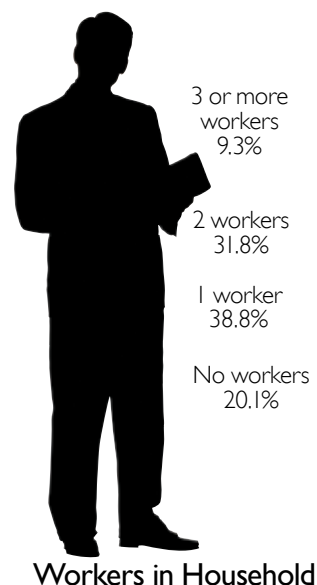
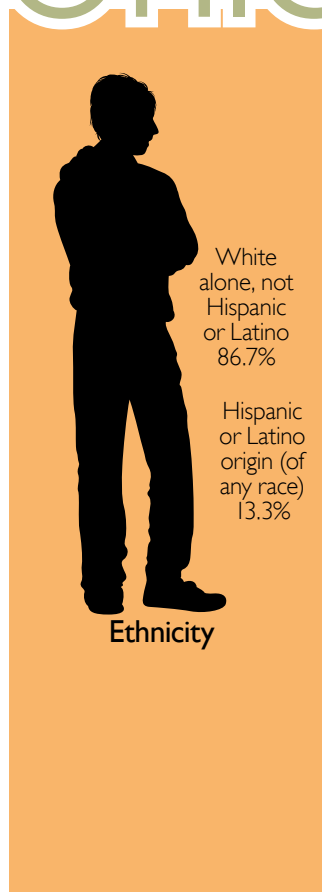
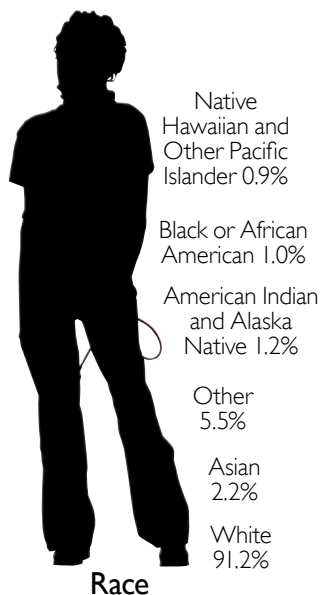
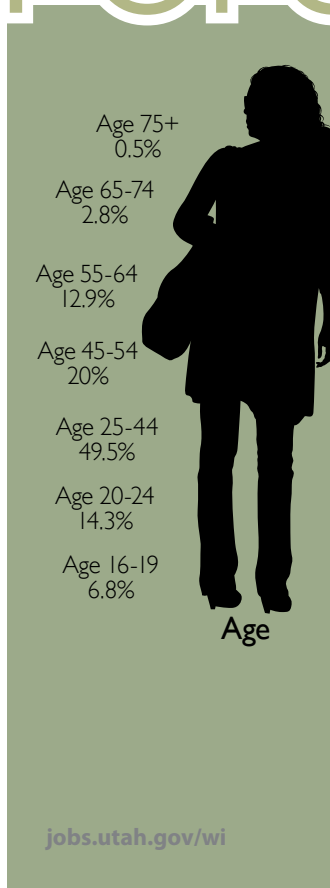
have any kind of work-related disability. At his place of employment, he probably has some type of sales-related position. He typically works almost 37 hours a week earning about \$41,000 a year at his full-time job. If he is married, his wife is also most likely a member of the labor force.

Of course, the "average" tells only one small paragraph of Utah's labor force story. As you can see from the accompanying charts, Utah's labor force is actually very diverse. Plus, the work experience of its numerous members is incredibly varied. ⓘ

A vast amount of information about Utah's labor force is provided by the American Community Survey

Force Profile 2010

Profile cont. next page





Other means 1.8%

Public transportation 2.1%

Work at home 4.4%

Walk 2.9%

Carpool in car, truck, or van 11.2%

Drive alone in car, truck, or van 77.6%

Means of Travel to Work



Production, transportation, and material moving occupations 12.4%

Natural resources, construction, and maintenance occupations 9.7%

Sales and office occupations 27.1%

Service occupations 15.4%

Healthcare practitioner and technical occupations 4.6%

Education, legal, community service, arts, and media occupations 10.8%

Management, business, and financial occupations 13.8%

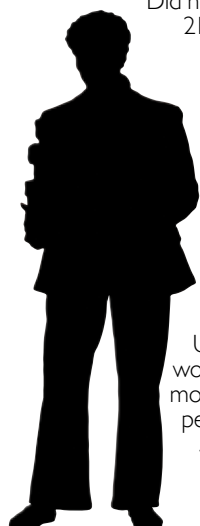
Occupation

For more information about Utah's labor force from the American Community Survey, go to:

- <http://factfinder2.census.gov>



Profile₂₀₁₀ cont.



Did not work 21.9%

Usually work 1 to 14 hours per week 5.3%

Usually work 15 to 34 hours per week 17.7%

Usually work 35 or more hours per week 55.1%

Usual Hours Worked



No disability 95.6%

With a disability 4.4%

Employed by Disability Status

Work/Life Awards

Continue to Focus on Employer Best Practices



For the thirteenth year, the Department of Workforce Services' Office of Work and Family Life recognized the state's best workplaces with the Utah Work/Life Awards. This year there were twenty winning companies from around the state, ranging from 10 to almost 1,000 employees. The Utah Work/Life Awards showcase employer best practices and provide an on-going forum for outstanding companies to exchange ideas and collaborate on challenges.

The winning companies demonstrated a dedication to hiring internally and creating cultures of learning, passion and engagement. The "Work Life" awards are a DWS tradition that does more than just recognize an employer's commitment to employees; these awards also reflect the Department of Workforce Services' mission to connect Utahns with employment.

These awards are presented in three size categories: micro, medium and large organizations each with varying degrees of cultural depth, workplace identity and clarity of focus. Employees are articulate ambassadors when it comes to describing impactful workplace experiences and their company's success in creating an exceptional place to work. The Work/Life Award focuses on four best practice categories. Companies that excel in addressing their employee and business needs in these areas see high return on investments, increased productivity, loyalty, retention, innovation and bottom-line reward. The awards are based on the following criteria:

•Flexibility and Benefits Best Scores

Flexible work arrangements, time off, family/flex benefits and health care.

•Whole Life Best Scores

Child care, elder care, community involvement, balance, wellness and education.

•Workplace Excellence Best Scores


A healthy work environment, company culture, employee retention and recruiting.

•Business & People Success Best Scores

Based on training, accountability, professional/personal development and communication.

"The Work/Life Awards are designed to help employers customize and match their workplace culture and needs of their current and future workforce," says DWS Executive Director Kristen Cox. "Winning the award is rarely about bells and whistles. It is about culture and meaning, asking and responding."

"Every year this award gets harder and harder to win," said Lynette Rasmussen, Director of the Department of Workforce Services' Office of Work & Family Life. "The success of Work/Life Award-winning companies shows up in many forms, including improved productivity, customer relations, retention, recruitment and marketing."

The companies recognized by this award not only reflect the monetary value of employment but reflect the values and importance of family. The strength of Utah's workforce and their commitment to their employees is one of the factors that allows our state to weather the storm of the recession and start the recovery ahead of other states. For more information and how to apply for this award next year, contact the Work and Family Life team at 801-468-0112. 

2011 Work/Life Award Winners

- Fehr & Peers – Salt Lake City
- Digital Financial Group – Murray
- Utah Foster Care Foundation – Murray
- DigiCert, Inc. – Lindon
- Cementation USA Inc. – Sandy
- Cirque Corporation – Salt Lake City
- Intermountain Financial Group/ MassMutual – Salt Lake City
- Equitable Life & Casualty Insurance Company – Salt Lake City
- Software Technology Group – Salt Lake City
- Spillman Technologies – Salt Lake City
- CyberSource, a Visa Company – American Fork
- Futura Industries – Clearfield
- CLEARLINK – Salt Lake City
- Marriott Vacation Club International, Owner Services – Salt Lake City
- Nicholas & Co., Inc. – Salt Lake City
- South Davis Community Hospital – Bountiful
- Canyons – A Talisker Mountain Resort – Park City
- 1-800 CONTACTS, Inc. – Draper
- Automatic Data Processing, Inc. – West Valley City
- Mountain American Credit Union – West Jordan

The Highs and the Lows of Labor Force Participation

in Utah

Election years bring about inevitable conversations regarding unemployment rates, employment ratios, discouraged workers and labor force participation. This article spotlights one aspect of the labor force I've always found interesting: the labor force participation rate.

When measuring labor force participation, the usual universe includes the population 16 years and older not confined to an institution (nursing homes, prisons, etc.). The universe includes individuals 65 and older who are typically retired. The participation rate is simply the percentage of that universe which is active in the labor force.

To be counted in the labor force, one can either be employed or unemployed. Employed persons worked for pay or profit (or at least 15 hours in a family-owned business for no pay). A person on temporary absence from a job is also included. For example, if you are ill, on strike, on vacation, snowed in, or having a baby and will be returning to a particular job, you are counted as employed.

Enumerating the unemployed is somewhat trickier. To be counted among the unemployed you must be "able and available" for work and you must have made some type of job search during the last four weeks. An exception to the job-search rule is made for workers on temporary layoff.

Those not "employed" or "unemployed," are excluded from labor force counts—the retired, stay at home parents, discouraged workers who have stopped making a job search, and teenagers just going to school.

The American Community Survey five-year estimates (2006-2010) which are available for all counties, allow us to compare participation rates across Utah. Participation rates vary from only 51 percent of the 16 years-and-older population in Daggett and Piute counties to 73-75 percent in neighboring Wasatch and Summit counties. Studies have shown—particularly

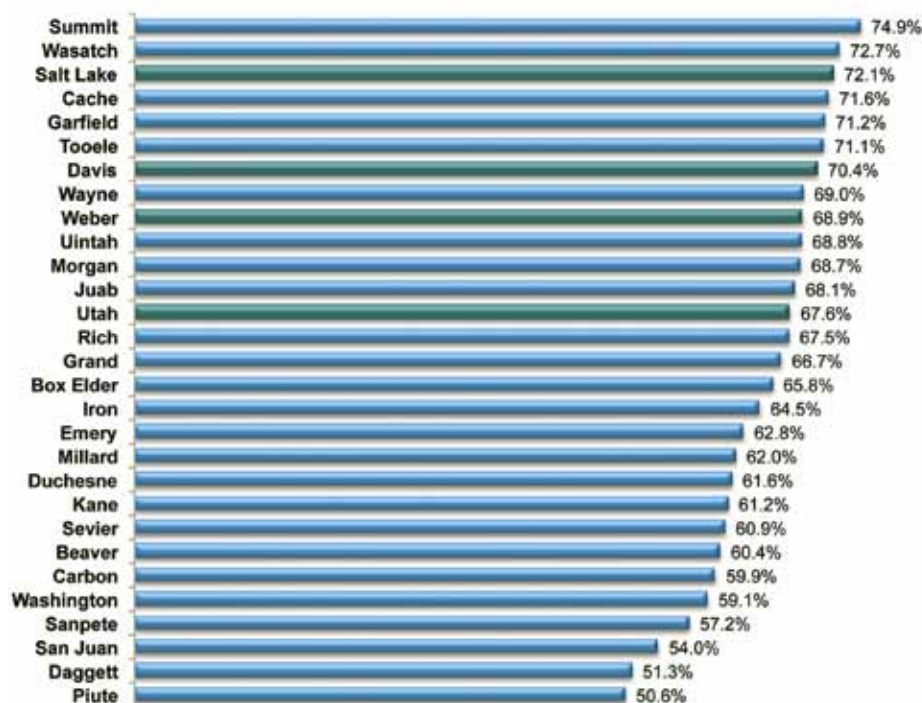


The labor force participation includes the population 16 years and older, as well as individuals 65+.

for women—a high correlation between educational attainment and labor force participation. Interestingly, Summit County also shows the highest proportion of individuals with a bachelor's degree or higher in the state. Population-dense Wasatch Front metropolitan counties all display higher-than-average labor force participation rates. Yet, some small rural counties also maintain high rates—notably Garfield (71 percent) and Wayne (69 percent). Interestingly, both of these counties display a significant tourism-related component to their employment base. Perhaps the seasonal, low-pay nature of these jobs require a higher rate of worker

participation in individual families to make ends meet. It seems reasonable to suppose that counties with a high proportion of seniors would show low labor force participation rates. Statistical analysis indeed shows a strong correlation between the percentage of the population over the age of 65 and a low labor force participation rate. Given the fact that women tend to participate in the labor force at a lower rate than men, I thought there might also be a relationship between the share of the labor force that was female and low overall participation rates. Not so. There appears to be only a weak correlation between the two. ⓘ

2006-2010 Labor Force Participation Rate



Source: U.S. Census Bureau; American Community Survey Five-Year estimate.

For more information about individual county labor force data, check out the American Community Survey data at:

- <http://factfinder2.census.gov>



System Analysts:

The Link Between Business and Information Technology



I want to streamline a production process within my company. Sounds simple, right? I want to make a few changes here and there and it's done. While making minor changes may sound simple, many questions may arise, that if not analyzed and answered carefully may cost a lot of money and make an inefficient process even worse. I need new computer equipment and I need to plan for the cost and implementation of the new system. How long will production be held up, and how will this affect my employees? Will I be facing layoffs or will I be paying overtime? System analysts make the communication between information technology and business departments possible. They bridge the gap between what a business wants to do and how it can be done, taking into consideration all the consequences of doing so.

System analysts learn the relationships and interactions of your business system and the elements that compose it. They develop and test strategies for managing the system and improving its outcome. System analysts understand the architecture behind different software

solutions and ways that they can be customized to benefit your business. For example, they can recommend the most suitable web application for your business or organization and develop ways to incorporate the power of multiple web applications in order to solve business problems. They can identify the most efficient software in terms of speed, usability, cost of implementation, and maintenance. Utilizing your system analyst to recommend suitable hardware and recommend server architecture will enhance your company's bottom line.

Melding the potentially disparate goals of the business owner, a supervisor, an accountant, a computer programmer and production worker into a productive and profitable system is the task of the system analyst. Most analysts have computer science or information science degrees. They must understand math, computers, planning, and have exceptional communication and critical thinking skills. Writing skills are essential when gathering information from a variety of sources and different levels of management. The ability to explain their systems and give clear instructions and

Most analysts have computer science or information science degrees.

recommendations is key to the success of the analyst. Since system analysts work in a variety of fields, a degree that corresponds with the field is often required. For instance, many MBAs also have a concentration in information systems, bank system analysts may have a degree in finance, and an analyst employed by a hospital may have training or experience in health care. Since technology is changing rapidly, ongoing training is a must.

According to the Bureau of Labor Statistics, employment of computer system analysts is expected to grow by 20 percent from 2008 to 2018, which is a much faster rate than the average occupation. Demand for these workers will increase as organizations continue to adopt and integrate increasingly sophisticated technologies and as the need for information security grows. The annual median wage for this occupation in the United States is about \$78,000 for those with a bachelor's degree. ⓘ

2008-2018 Employment Projections for Computer Systems Analysts

Area Name	Current Employment	Projected Employment	Annual % Change	Total Annual Openings	Star Rating
Utah - Statewide	2,871	3,598	2.5	140	4
Metro Utah	2,710	3,390	2.5	130	5
Nonmetro Utah	80	100	2	0	3
United States	532,180	640,270	2	22,280	

Resources:

Utah Economic Data Viewer

- <http://jobs.utah.gov/jsp/wi/utalmis/default.do>
- www.bls.gov

A New System of Classifying Occupations by Education and Training

A new classification structure provides an in-depth look at occupations and needed training.

Job seekers, students, and anyone interested in working want to know what educational and training requirements are needed to get started in an occupation. Do I need a degree, work experience in a related occupation, on-the-job training, or a combination of the three to jump into the world of work? Well, it depends on the occupation you are interested in. The U.S. Bureau of Labor Statistics (BLS) has developed a new classification system that addresses the question of “delineating the most common way persons prepare for an occupation.”

In the past, the BLS has assigned training codes defining how workers prepared by determining the typical way one enters an occupation. This system, which we used at the Department of Workforce Services, specified 11 training levels as the typical method of job entry. This hierarchy was a continuum starting with academic credentials (degrees) and ending with basic short-term on-the-job training. Here is the list of the 11 education/training levels:

- First professional degree
- Doctoral degree
- Master's degree
- Bachelor's or higher degree, plus work experience
- Bachelor's degree
- Associate degree
- Postsecondary vocational awards
- Work experience in a related occupation
- Long-term on-the-job training (including skilled and apprenticed trades) training in OJT setting and/or in formal classroom setting for one year or more
- Moderate-term on-the-job training—from one month up to one year
- Short-term on-the-job training—short demonstration and observation of less than one month.

This system was used to assign training levels in the Utah Job Outlook for 2008-2018. It was

a one-dimensional classification structure that assigned one of the above training codes to the list of the some 750 occupations in the Utah Job Outlook. What the prior classification system didn't do was provide the job seeker with two other important dimensions for describing occupation other than the typical educational level needed for entry. These two included a category defining work experience in a related occupation, and the typical on-the-job training (including apprenticeship or internship) needed to attain competency in the occupation.

The new system addresses these added dimensions by providing three education/training categories instead of one. First, and similar to the original 11 assignments, is the typical education needed for performing a job. Second, is an indicator of the level of work experience needed in a related occupation, and third, the level of on-the-job training called for. Now job seekers can gain a better understanding of what is needed for success in a given occupation. Below is a table showing the new three-dimensional classification of level of training, work experience, and on-the-job training (see table 1).

By the Numbers—Some notes

In the Standard Occupational Classification (SOC) system, there are 750 job titles that are assigned 1) a typical level of education for entry, 2) work experience in a related occupation, and 3) the level of on-the-job training needed for competency in the occupation. Some occupations only call for the education and training (showing “none” for the work experience and on-the-job training criteria). Others have a mix of all three. For example, most manager job titles call for a bachelor's degree and work experience in a related occupation. Engineers need just the bachelor's degree. Cashiers need less than a high school diploma or work experience and the minimum of on-the-job training. Skilled construction trades like electricians and plumbers



need a high school diploma and completion of an apprenticeship to reach the journey level. Dancers and actors are assigned as needing a high school diploma but need a lot of on-the-job training. See the table for examples of training assignments for selected occupations (see table 2).

To measure the new classification system's effect, the new codes were applied to current Utah Job Outlook employment projections (2008-2018). The codes categorizing the "typical education level needed for entry" were attached to each of the 750 occupations. The results revealed that about 28 percent of jobs in 2008, or 403,000, called for training of at least some college or above. This training segment's slice of the jobs pie is projected to increase to about 510,000 by the year 2018.

What to Do

This new classification structure adds much more information to the training/education, experience, and on-the-job information now available to the population (students, workers, economic development, and the educational community). It provides a much needed in-depth examination at occupations and the preparation called for to enter the labor market.

An Aside


Not to muddy up the waters of training and work, but in addition to training assignments there was also a look at the educational attainment of persons in those 750 occupations in the economy. The American Community Survey from the Census Bureau gathers this data and it is very interesting because it shows the population's educational attainment. Sometimes the educational attainment of individuals and the education/training assignments of occupations don't match up. A quick example can be gleaned from the data for registered nurses. The educational assignment for RNs is an associate degree. From the educational attainment data 37 percent of RNs claim an associate degree as their level of educational attainment. Interesting to note though, is that 42 percent have a bachelor's degree and another 10 percent of the RNs have a master's degree. And that's food for thought for another article. 

Table 1: New Education and Training Assignments

Typical Education Needed for Entry	Work Experience in a Related Occupation	Typical On-the-Job Training Needed to Attain Competency
Doctoral or Professional Degree	Less than 5 years	Internship/Residency
Master's Degree	1-5 years	Apprenticeship
Bachelor's Degree	Less than 1 year	Long-Term OJT
Associate Degree	None	Moderate-Term OJT
Postsecondary Non Degree		Short-Term OJT
Some College, No Degree		None
High School Diploma or Equivalent		
Less Than High School		

Table 2: Examples of Education and Training Assignments for Detailed Occupations

2010 National Employment Matrix title and code		Typical education needed for entry	Work experience in a related occupation	Typical on-the-job training (OJT) needed to attain competency in the occupation
Administrative Services Managers	11-3011	HS diploma or equivalent	1-5 years	None
Computer Systems Analysts	15-1121	Bachelor's degree	None	None
Lawyers	23-1011	Doctoral or professional degree	None	None
Elementary School Teachers, Except Special Education	25-2021	Bachelor's degree	None	Internship/residency
Graphic Designers	27-1024	Bachelor's degree	None	None
Registered Nurses	29-1111	Associate's degree	None	None
Licensed Practical and Licensed Vocational Nurses	29-2061	Postsecondary non-degree award	None	None
Hairdressers, Hairstylists, and Cosmetologists	39-5012	Postsecondary non-degree award	None	None
Retail Salespersons	41-2031	Less than HS	None	Short-term OJT
Carpenters	47-2031	HS diploma or equivalent	None	Apprenticeship
Heavy and Tractor-Trailer Truck Drivers	53-3032	High school diploma or equivalent	1-5 years	Short-term OJT
Industrial Truck and Tractor Operators	53-7051	Less than high school	Less than 1 year	Short-term OJT

Source: Employment Projections Program, U.S. Department of Labor, U.S. Bureau of Labor Statistics

For information on the new system see:

- <http://www.bls.gov/opub/ooq/2011/fall/art02.pdf>



For a listing of all 750 occupations with training/educational assignments see:

- <http://1.usa.gov/yvMz4U>



Information

The information industry in Utah

The expression “information age” is used frequently, but what does it mean? One definition refers to the idea of increased speed of production, communication and consumption, along with the assurance of obtaining instant access to information that may have previously been difficult or tedious to find. Many believe it started with the personal computer and the Internet. However, there have been different types of information ages throughout history and it has a unique meaning in each age, and is constantly changing as technology and society evolve.

The information industry sector is more clearly defined according to the North American Industry Classification System (NAICS). NAICS is the standard used by Federal agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. This specific classification is comprised of establishments engaged in: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.

The main information industries in Utah include publishing, motion picture and sound recording, broad-

casting (except Internet), Internet publishing and broadcasting, telecommunications, ISPs (Internet Service Providers), search portals and data processing, and other information services. These industries are then further broken down with many unique characteristics driving the delineations.

Information industries are considered important for several reasons. They are a rapidly growing portion of the economy, as the requests for goods and services, and manipulating data are increasing. However, job growth does not necessarily reflect this in recent years. In Utah, the average annual employment was highest in 2001 with 33,510. It saw a slight resurgence from 2005 through 2007, but decreased dramatically with the recession until in 2010 when it hit its lowest level at 29,277. Average monthly wages were lowest in 2002 at \$3,329 and since 2007 have steadily climbed to \$4,267 in 2010.

Not surprisingly, the top three largest Information Industry firms in Utah are included under ISPs, Search Portals and Data Processing. These include ACS Business Process Solutions Inc., ACS Commercial Solutions Inc., and Adobe Systems Inc. These are businesses that are primarily engaged in providing infrastructure for hosting or data processing services. ⓘ



For more information on Utah's Information Industry, visit:

• <http://1.usa.gov/wckx48>



For a further breakdown of the Information Industry in NAICS, visit:

• <http://1.usa.gov/4XITI>



just
the
facts...

December 2011 Unemployment Rates

Utah Unemployment Rate	6.0 %
U.S. Unemployment Rate	8.5 %
Utah Nonfarm Jobs (000s)	1,227.8
U.S. Nonfarm Jobs (000s)	132,952.0

Changes From Last Year

Down	1.5 points
Down	0.9 points
Up	2.5 %
Up	1.3 %

December 2011 Consumer Price Index Rates

U.S. Consumer Price Index	225.7	Up	3.0%
U.S. Producer Price Index	191.3	Up	4.8%

Source: Utah Department of Workforce Services

December 2011 Seasonally Adjusted Unemployment Rates

Beaver	6.4 %
Box Elder	7.3 %
Cache	4.6 %
Carbon	6.8 %
Daggett	4.6 %

Davis	5.7 %
Duchesne	4.9 %
Emery	7.4 %
Garfield	10.4 %
Grand	9.6 %

Iron	7.6 %
Juab	7.6 %
Kane	6.7 %
Millard	4.7 %
Morgan	5.5 %

Piute	5.9 %
Rich	4.9 %
Salt Lake	5.9 %
San Juan	11.1 %
Sanpete	7.5 %

Sevier	6.4 %
Summit	5.6 %
Tooele	6.5 %
Uintah	4.2 %
Utah	6.1 %

Wasatch	6.8 %
Washington	7.9 %
Wayne	11.0 %
Weber	7.0 %

Watch for these features in our
Next Issue:

Theme:

Utah's Businesses Today

Industry Highlight:

Management of
Companies

Occupation:
Management-Type



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Where are the best places to work in Utah?

*For a listing of Utah's most family-friendly companies and
the winners of the 2011 Work/Life Awards, see page 19.*



jobs.utah.gov

